# Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

**2016**

**This Form is Open to Public Inspection**

## Part I Annual Report Identification Information

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

**A** This return/report is for:
- [ ] a multiemployer plan
- [ ] a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)
- [X] a single-employer plan
- [ ] a DFE (specify) ____

**B** This return/report is:
- [ ] the first return/report
- [ ] the final return/report
- [ ] an amended return/report
- [ ] a short plan year return/report (less than 12 months)

**C** If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

**D** Check box if filing under:
- [X] Form 5558
- [ ] automatic extension
- [ ] the DFVC program
- [ ] special extension (enter description)

## Part II Basic Plan Information—enter all requested information

**1a** Name of plan
SQUARE-H BRANDS, INC. 401(K) PLAN

**1b** Three-digit plan number (PN) ▶ 001

**1c** Effective date of plan 04/01/1997

**2a** Plan sponsor's name (employer, if for a single-employer plan)
Mailing address (include room, apt., suite no. and street, or P.O. Box)
City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)
SQUARE-H BRANDS, INC.

2731 SOUTH SOTO STREET
LOS ANGELES, CA 90058

**2b** Employer Identification Number (EIN) 95-4539403

**2c** Plan Sponsor's telephone number 323-267-4600

**2d** Business code (see instructions) 311110

**Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.**

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

| | | | |
|---|---|---|---|
| **SIGN HERE** | Filed with authorized/valid electronic signature. | 09/21/2017 | DIXIE SAWYER |
| | **Signature of plan administrator** | Date | Enter name of individual signing as plan administrator |
| **SIGN HERE** | | | |
| | **Signature of employer/plan sponsor** | Date | Enter name of individual signing as employer or plan sponsor |
| **SIGN HERE** | | | |
| | **Signature of DFE** | Date | Enter name of individual signing as DFE |

Preparer's name (including firm name, if applicable) and address (include room or suite number)

Preparer's telephone number

| | | |
|---|---|---|
| **3a** Plan administrator's name and address [X] Same as Plan Sponsor | **3b** Administrator's EIN | |
| | **3c** Administrator's telephone number | |
| **4** If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: | **4b** EIN | |
| **a** Sponsor's name | **4c** PN | |

| | | |
|---|---|---|
| **5** Total number of participants at the beginning of the plan year | **5** | 131 |
| **6** Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines **6a(1), 6a(2), 6b, 6c,** and **6d**). | | |
| **a(1)** Total number of active participants at the beginning of the plan year | **6a(1)** | 122 |
| **a(2)** Total number of active participants at the end of the plan year | **6a(2)** | 115 |
| **b** Retired or separated participants receiving benefits | **6b** | 0 |
| **c** Other retired or separated participants entitled to future benefits | **6c** | 8 |
| **d** Subtotal. Add lines **6a(2)**, **6b**, and **6c**. | **6d** | 123 |
| **e** Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. | **6e** | 0 |
| **f** Total. Add lines **6d** and **6e**. | **6f** | 123 |
| **g** Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | 107 |
| **h** Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 0 |
| **7** Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) | **7** | |

**8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

2E 2F 2G 2J 2K 2T 3D 3F

**b** If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

| **9a** Plan funding arrangement (check all that apply) | | **9b** Plan benefit arrangement (check all that apply) | |
|---|---|---|---|
| **(1)** | [ ] Insurance | **(1)** | [ ] Insurance |
| **(2)** | [ ] Code section 412(e)(3) insurance contracts | **(2)** | [ ] Code section 412(e)(3) insurance contracts |
| **(3)** | [X] Trust | **(3)** | [X] Trust |
| **(4)** | [ ] General assets of the sponsor | **(4)** | [ ] General assets of the sponsor |

**10** Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

**a Pension Schedules**

- **(1)** [X] **R** (Retirement Plan Information)
- **(2)** [ ] **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- **(3)** [ ] **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

**b General Schedules**

- **(1)** [X] **H** (Financial Information)
- **(2)** [ ] **I** (Financial Information – Small Plan)
- **(3)** [ ] **A** (Insurance Information) ___
- **(4)** [X] **C** (Service Provider Information)
- **(5)** [X] **D** (DFE/Participating Plan Information)
- **(6)** [ ] **G** (Financial Transaction Schedules)

## Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

**11a** If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

**11b** Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☐ No

**11c** Enter the Receipt Confirmation Code for the 2016 Form M-1 annual report. If the plan was not required to file the 2016 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code_____

| SCHEDULE C (Form 5500) | Service Provider Information | OMB No. 1210-0110 |
|---|---|---|
| Department of the Treasury<br>Internal Revenue Service<br>Department of Labor<br>Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br>▶ **File as an attachment to Form 5500.** | **2016**<br>**This Form is Open to Public Inspection.** |

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

| **A** Name of plan | **B** Three-digit plan number (PN) ▶ | |
|---|---|---|
| SQUARE-H BRANDS, INC. 401(K) PLAN | | 001 |
| **C** Plan sponsor's name as shown on line 2a of Form 5500 | **D** Employer Identification Number (EIN) | |
| SQUARE-H BRANDS, INC. | 95-4539403 | |

## Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

### 1 Information on Persons Receiving Only Eligible Indirect Compensation

**a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . [X] Yes [ ] No

**b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**2. Information on Other Service Providers Receiving Direct or Indirect Compensation.** Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

**(a)** Enter name and EIN or address (see instructions)

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 37 60 64 65 | RECORDKEEPER | 15623 | Yes [X] No [ ] | Yes [X] No [ ] | 0 | Yes [X] No [ ] |

**(a)** Enter name and EIN or address (see instructions)

RAYMOND JAMES AND ASSOCIATES

59-1237041

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 27 | ADVISOR | 6126 | Yes [ ] No [X] | Yes [ ] No [ ] | | Yes [ ] No [ ] |

**(a)** Enter name and EIN or address (see instructions)

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| | | | Yes [ ] No [ ] | Yes [ ] No [ ] | | Yes [ ] No [ ] |

**2. Information on Other Service Providers Receiving Direct or Indirect Compensation.** Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

**(a)** Enter name and EIN or address (see instructions)

| **(b)** Service Code(s) | **(c)** Relationship to employer, employee organization, or person known to be a party-in-interest | **(d)** Enter direct compensation paid by the plan. If none, enter -0-. | **(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | **(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | **(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | **(h)** Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| | | | Yes ☐ No ☐ | Yes ☐ No ☐ | | Yes ☐ No ☐ |

**(a)** Enter name and EIN or address (see instructions)

| **(b)** Service Code(s) | **(c)** Relationship to employer, employee organization, or person known to be a party-in-interest | **(d)** Enter direct compensation paid by the plan. If none, enter -0-. | **(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | **(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | **(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | **(h)** Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| | | | Yes ☐ No ☐ | Yes ☐ No ☐ | | Yes ☐ No ☐ |

**(a)** Enter name and EIN or address (see instructions)

| **(b)** Service Code(s) | **(c)** Relationship to employer, employee organization, or person known to be a party-in-interest | **(d)** Enter direct compensation paid by the plan. If none, enter -0-. | **(e)** Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | **(f)** Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | **(g)** Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | **(h)** Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| | | | Yes ☐ No ☐ | Yes ☐ No ☐ | | Yes ☐ No ☐ |

## Part I Service Provider Information (continued)

**3.** If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| DODGE & COX BALANCED - BOSTON FINA<br>P.O. BOX 8480<br>BOSTON, MA 02266 | 0.10% |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| DODGE & COX STOCK - BOSTON FINANCI<br>P.O. BOX 8480<br>BOSTON, MA 02266 | 0.10% |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| DOUBLELINE TOT RET I - U.S. BANCOR<br>P.O. BOX 701<br>MILWAUKEE, WI 53201 | 0.15% |

## Part I Service Provider Information (continued)

**3.** If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| HARBOR MDCP VAL INST - HARBOR SERV<br><br>34-1953399 | 0.10% |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| LD ABT SH DRTN INC I - DST SYSTEMS<br><br>43-1581814 | 0.10% |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| OAKMARK INTL INV - BOSTON FINANCIA P.O. BOX 8480<br>BOSTON, MA 02266 | 0.35% |

## Part I Service Provider Information (continued)

**3.** If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| PIF REAL EST SEC IS - PRINCIPAL SH<br>P.O. BOX 8024<br>BOSTON, MA 02266 | 0.10% |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| FIDELITY INVESTMENTS INSTITUTIONAL | 60 | 0 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| PUTNAM STABLE VALUE<br><br>04-2539562 | 0.25% |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| | | |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| | |

## Part II Service Providers Who Fail or Refuse to Provide Information

**4** Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

| **(a)** Enter name and EIN or address of service provider (see instructions) | **(b)** Nature of Service Code(s) | **(c)** Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

| **(a)** Enter name and EIN or address of service provider (see instructions) | **(b)** Nature of Service Code(s) | **(c)** Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

| **(a)** Enter name and EIN or address of service provider (see instructions) | **(b)** Nature of Service Code(s) | **(c)** Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

| **(a)** Enter name and EIN or address of service provider (see instructions) | **(b)** Nature of Service Code(s) | **(c)** Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

| **(a)** Enter name and EIN or address of service provider (see instructions) | **(b)** Nature of Service Code(s) | **(c)** Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

| **(a)** Enter name and EIN or address of service provider (see instructions) | **(b)** Nature of Service Code(s) | **(c)** Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

## Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

| | |
|---|---|
| **a** Name: | **b** EIN: |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

| | |
|---|---|
| **a** Name: | **b** EIN: |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

| | |
|---|---|
| **a** Name: | **b** EIN: |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

| | |
|---|---|
| **a** Name: | **b** EIN: |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

| | |
|---|---|
| **a** Name: | **b** EIN: |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

# SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

## DFE/Participating Plan Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**2016**

**This Form is Open to Public Inspection.**

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

**A** Name of plan
SQUARE-H BRANDS, INC. 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan or DFE sponsor's name as shown on line 2a of Form 5500
SQUARE-H BRANDS, INC.

**D** Employer Identification Number (EIN)
95-4539403

**Part I** **Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)**
(Complete as many entries as needed to report all interests in DFEs)

**a** Name of MTIA, CCT, PSA, or 103-12 IE: PUTNAM STABLE VALUE

**b** Name of sponsor of entity listed in (a): PUTNAM FIDUCIARY TRUST COMPANY

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 04-3159710-202 | C | 124505 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| | | |

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| | | |

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| | | |

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| | | |

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| | | |

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| | | |

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

## Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

# SCHEDULE H (Form 5500)

Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**2016**

**This Form is Open to Public Inspection**

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

**A** Name of plan
SQUARE-H BRANDS, INC. 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
SQUARE-H BRANDS, INC.

**D** Employer Identification Number (EIN)
95-4539403

## Part I Asset and Liability Statement

**1** Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

| Assets | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|
| **a** Total noninterest-bearing cash | 1a | 0 | 0 |
| **b** Receivables (less allowance for doubtful accounts): | | | |
| **(1)** Employer contributions | 1b(1) | 0 | 0 |
| **(2)** Participant contributions | 1b(2) | 0 | 0 |
| **(3)** Other | 1b(3) | 0 | 0 |
| **c** General investments: | | | |
| **(1)** Interest-bearing cash (include money market accounts & certificates of deposit) | 1c(1) | 0 | 0 |
| **(2)** U.S. Government securities | 1c(2) | 0 | 0 |
| **(3)** Corporate debt instruments (other than employer securities): | | | |
| **(A)** Preferred | 1c(3)(A) | 0 | 0 |
| **(B)** All other | 1c(3)(B) | 0 | 0 |
| **(4)** Corporate stocks (other than employer securities): | | | |
| **(A)** Preferred | 1c(4)(A) | 0 | 0 |
| **(B)** Common | 1c(4)(B) | 0 | 0 |
| **(5)** Partnership/joint venture interests | 1c(5) | 0 | 0 |
| **(6)** Real estate (other than employer real property) | 1c(6) | 0 | 0 |
| **(7)** Loans (other than to participants) | 1c(7) | 0 | 0 |
| **(8)** Participant loans | 1c(8) | 132880 | 150902 |
| **(9)** Value of interest in common/collective trusts | 1c(9) | 22417 | 124505 |
| **(10)** Value of interest in pooled separate accounts | 1c(10) | 0 | 0 |
| **(11)** Value of interest in master trust investment accounts | 1c(11) | 0 | 0 |
| **(12)** Value of interest in 103-12 investment entities | 1c(12) | 0 | 0 |
| **(13)** Value of interest in registered investment companies (e.g., mutual funds) | 1c(13) | 2257864 | 2598438 |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | | |
| **(15)** Other | 1c(15) | 0 | 0 |

| | | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|---|
| **1d** | Employer-related investments: | | | |
| | **(1)** Employer securities | 1d(1) | 0 | 0 |
| | **(2)** Employer real property | 1d(2) | 0 | 0 |
| **e** | Buildings and other property used in plan operation | 1e | 0 | 0 |
| **f** | Total assets (add all amounts in lines 1a through 1e) | 1f | 2413161 | 2873845 |
| | **Liabilities** | | | |
| **g** | Benefit claims payable | 1g | 0 | 0 |
| **h** | Operating payables | 1h | 0 | 0 |
| **i** | Acquisition indebtedness | 1i | 0 | 0 |
| **j** | Other liabilities | 1j | 0 | 0 |
| **k** | Total liabilities (add all amounts in lines 1g through1j) | 1k | 0 | 0 |
| | **Net Assets** | | | |
| **l** | Net assets (subtract line 1k from line 1f) | 1l | 2413161 | 2873845 |

## Part II Income and Expense Statement

**2** Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

| | Income | | (a) Amount | (b) Total |
|---|---|---|---|---|
| **a** | **Contributions:** | | | |
| | **(1)** Received or receivable in cash from: **(A)** Employers | 2a(1)(A) | 66545 | |
| | **(B)** Participants | 2a(1)(B) | 332274 | |
| | **(C)** Others (including rollovers) | 2a(1)(C) | 0 | |
| | **(2)** Noncash contributions | 2a(2) | 0 | |
| | **(3)** Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)** | 2a(3) | | 398819 |
| **b** | **Earnings on investments:** | | | |
| | **(1)** Interest: | | | |
| | **(A)** Interest-bearing cash (including money market accounts and certificates of deposit) | 2b(1)(A) | 0 | |
| | **(B)** U.S. Government securities | 2b(1)(B) | 0 | |
| | **(C)** Corporate debt instruments | 2b(1)(C) | 0 | |
| | **(D)** Loans (other than to participants) | 2b(1)(D) | 0 | |
| | **(E)** Participant loans | 2b(1)(E) | 6411 | |
| | **(F)** Other | 2b(1)(F) | 0 | |
| | **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 6411 |
| | **(2)** Dividends: **(A)** Preferred stock | 2b(2)(A) | 0 | |
| | **(B)** Common stock | 2b(2)(B) | 0 | |
| | **(C)** Registered investment company shares (e.g. mutual funds) | 2b(2)(C) | 73346 | |
| | **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | 2b(2)(D) | | 73346 |
| | **(3)** Rents | 2b(3) | | 0 |
| | **(4)** Net gain (loss) on sale of assets: **(A)** Aggregate proceeds | 2b(4)(A) | 0 | |
| | **(B)** Aggregate carrying amount (see instructions) | 2b(4)(B) | 0 | |
| | **(C)** Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result | 2b(4)(C) | | 0 |
| | **(5)** Unrealized appreciation (depreciation) of assets: **(A)** Real estate | 2b(5)(A) | 0 | |
| | **(B)** Other | 2b(5)(B) | 0 | |
| | **(C)** Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)** | 2b(5)(C) | | 0 |

| | | (a) Amount | (b) Total |
|---|---|---|---|
| (6) Net investment gain (loss) from common/collective trusts | 2b(6) | | 994 |
| (7) Net investment gain (loss) from pooled separate accounts | 2b(7) | | 0 |
| (8) Net investment gain (loss) from master trust investment accounts | 2b(8) | | 0 |
| (9) Net investment gain (loss) from 103-12 investment entities | 2b(9) | | 0 |
| (10) Net investment gain (loss) from registered investment companies (e.g., mutual funds) | 2b(10) | | 112102 |
| c Other income | 2c | | 0 |
| d Total income. Add all **income** amounts in column (b) and enter total | 2d | | 591672 |
| **Expenses** | | | |
| e Benefit payment and payments to provide benefits: | | | |
| (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 109240 | |
| (2) To insurance carriers for the provision of benefits | 2e(2) | 0 | |
| (3) Other | 2e(3) | 0 | |
| (4) Total benefit payments. Add lines **2e(1)** through **(3)** | 2e(4) | | 109240 |
| f Corrective distributions (see instructions) | 2f | | 0 |
| g Certain deemed distributions of participant loans (see instructions) | 2g | | 0 |
| h Interest expense | 2h | | 0 |
| i Administrative expenses: (1) Professional fees | 2i(1) | 0 | |
| (2) Contract administrator fees | 2i(2) | 0 | |
| (3) Investment advisory and management fees | 2i(3) | 0 | |
| (4) Other | 2i(4) | 21748 | |
| (5) Total administrative expenses. Add lines **2i(1)** through **(4)** | 2i(5) | | 21748 |
| j Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 130988 |
| **Net Income and Reconciliation** | | | |
| k Net income (loss). Subtract line **2j** from line **2d** | 2k | | 460684 |
| l Transfers of assets: | | | |
| (1) To this plan | 2l(1) | | 0 |
| (2) From this plan | 2l(2) | | |

## Part III Accountant's Opinion

**3** Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

**a** The attached opinion of an independent qualified public accountant for this plan is (see instructions):

**(1)** [ ] Unqualified **(2)** [ ] Qualified **(3)** [X] Disclaimer **(4)** [ ] Adverse

**b** Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [X] Yes [ ] No

**c** Enter the name and EIN of the accountant (or accounting firm) below:

**(1)** Name: SINGER LEWAK LLP **(2)** EIN: 95-2302617

**d** The opinion of an independent qualified public accountant is **not attached** because:

**(1)** [ ] This form is filed for a CCT, PSA, or MTIA. **(2)** [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

## Part IV Compliance Questions

**4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

| | | Yes | No | Amount |
|---|---|---|---|---|
| **a** Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.) | 4a | X | | 13984 |
| **b** Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.) | 4b | | X | |

| | | | Yes | No | Amount |
|---|---|---|---|---|---|
| c | Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) | 4c | | X | |
| d | Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.) | 4d | | X | |
| e | Was this plan covered by a fidelity bond? | 4e | X | | 500000 |
| f | Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? | 4f | | X | |
| g | Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? | 4g | | X | |
| h | Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? | 4h | | X | |
| i | Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.) | 4i | X | | |
| j | Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.) | 4j | | X | |
| k | Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? | 4k | | X | |
| l | Has the plan failed to provide any benefit when due under the plan? | 4l | | X | |
| m | If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) | 4m | | X | |
| n | If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3 | 4n | | X | |
| o | Defined Benefit Plan or Money Purchase Pension Plan Only: Were any distributions made during the plan year to an employee who attained age 62 and had not separated from service? | 4o | | | |

**5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If "Yes," enter the amount of any plan assets that reverted to the employer this year ☐ **Yes** ☒ **No** **Amount:**

**5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

| **5b(1)** Name of plan(s) | **5b(2)** EIN(s) | **5b(3)** PN(s) |
|---|---|---|
| | | |
| | | |
| | | |
| | | |

**5c** If the plan is a defined benefit plan, is it covered under the PBGC insurance program (See ERISA section 4021.)? ..... ☐ Yes ☐ No ☐ Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year_____. (See instructions.)

## Part V Trust Information

| **6a** Name of trust | **6b** Trust's EIN |
|---|---|
| | |

| **6c** Name of trustee or custodian | **6d** Trustee's or custodian's telephone number |
|---|---|
| | |

# SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Retirement Plan Information

This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**2016**

**This Form is Open to Public Inspection.**

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

**A** Name of plan
SQUARE-H BRANDS, INC. 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
SQUARE-H BRANDS, INC.

**D** Employer Identification Number (EIN)
95-4539403

## Part I Distributions

**All references to distributions relate only to payments of benefits during the plan year.**

**1** Total value of distributions paid in property other than in cash or the forms of property specified in the instructions ..... **1**

**2** Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 04-6568107

**Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.**

**3** Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year ..... **3**

## Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)

**4** Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

**If the plan is a defined benefit plan, go to line 8.**

**5** If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

**If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.**

**6 a** Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) ..... **6a**

**b** Enter the amount contributed by the employer to the plan for this plan year ..... **6b**

**c** Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) ..... **6c**

**If you completed line 6c, skip lines 8 and 9.**

**7** Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

**8** If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

## Part III Amendments

**9** If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☐ **No**

## Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

**10** Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

**11 a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

**b** If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

**12** Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

## Part V Additional Information for Multiemployer Defined Benefit Pension Plans

**13** Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

**14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

| | | |
|---|---|---|
| **a** The current year | **14a** | |
| **b** The plan year immediately preceding the current plan year | **14b** | |
| **c** The second preceding plan year | **14c** | |

**15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

| | | |
|---|---|---|
| **a** The corresponding number for the plan year immediately preceding the current plan year | **15a** | |
| **b** The corresponding number for the second preceding plan year | **15b** | |

**16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

| | | |
|---|---|---|
| **a** Enter the number of employers who withdrew during the preceding plan year | **16a** | |
| **b** If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers | **16b** | |

**17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

## Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

**18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

**19** If the total number of participants is 1,000 or more, complete lines (a) through (c)

**a** Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

**b** Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

**c** What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

## Part VII IRS Compliance Questions

| | |
|---|---|
| **20a** Is the plan a 401(k) plan? If "No," skip b | ☐ Yes ☐ No |
| **20b** How did the plan satisfy the nondiscrimination requirements for employee deferrals under section 401(k)(3) for the plan year? Check all that apply: | ☐ Design-based safe harbor ☐ "Prior year" ADP test ☐ "Current year" ADP test ☐ N/A |
| **21a** What testing method was used to satisfy the coverage requirements under section 410(b) for the plan year? Check all that apply: | ☐ Ratio percentage test ☐ Average benefit test ☐ N/A |
| **21b** Did the plan satisfy the coverage and nondiscrimination requirements of sections 410(b) and 401(a)(4) for the plan year by combining this plan with any other plan under the permissive aggregation rules? | ☐ Yes ☐ No |

**22a** If the plan is a master and prototype plan (M&P) or volume submitter plan that received a favorable IRS opinion letter or advisory letter, enter the date of the letter _____/_____/_____ and the serial number _____.

**22b** If the plan is an individually-designed plan that received a favorable determination letter from the IRS, enter the date of the most recent determination letter _____/_____/_____.

# SQUARE-H BRANDS, INC. 401(K) PLAN

**FINANCIAL STATEMENTS**
**AND SUPPLEMENTAL INFORMATION**
**FOR THE YEAR ENDED**
**DECEMBER 31, 2016**

# SQUARE-H BRANDS, INC. 401(K) PLAN

**CONTENTS**

**December 31, 2016**


| | Page |
|---|---|
| **INDEPENDENT AUDITOR'S REPORT** | 1 – 2 |
| **FINANCIAL STATEMENTS** | |
| Statements of Net Assets Available for Plan Benefits | 3 |
| Statement of Changes in Net Assets Available for Plan Benefits | 4 |
| Notes to Financial Statements | 5 – 13 |
| **SUPPLEMENTAL INFORMATION** | |
| Schedule H, Line 4i – Schedule of Assets (Held at End of Year) | 14 |
| Schedule H, Line 4a – Schedule of Delinquent Participant Contributions | 15 |

SingerLewak
Accountants & Consultants

# INDEPENDENT AUDITOR'S REPORT

To the Plan Administrator
Square-H Brands, Inc. 401(k) Plan
Los Angeles, California

## Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Square-H Brands, Inc. 401(k) Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2016 and 2015, the related statement of changes in net assets available for benefits for the year ended December 31, 2016, and the related notes to the financial statements.

## Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient, appropriate audit evidence to provide a basis for an audit opinion.

## Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified or provided by Fidelity Management Trust Company, the trustee of the Plan, except for comparing this information with the related information included in the financial statements. We have been informed by the Plan Administrator that the trustee holds the Plan's assets and executes transactions. The Plan Administrator has obtained certifications from the trustee as of December 31, 2016 and 2015, and for the year ended December 31, 2016, that the information provided to the Plan Administrator by the trustee is complete and accurate.

## Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

**Other Matter**

The supplemental Schedule H, Line 4i – Schedule of Assets (Held at End of Year) and Schedule H, Line 4a – Schedule of Delinquent Participant Contributions as of December 31, 2016, are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purposes of additional analysis and are not a required part of the financial statements. These supplemental schedules are the responsibility of the Plan's management. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedules.

**Report on Form and Content in Compliance with DOL Rules and Regulations**

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified or provided by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Singer Lewak LLP

September 20, 2017

# SQUARE-H BRANDS, INC. 401(K) PLAN

## STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS

**December 31,**

**ASSETS**

| | 2016 | 2015 |
|---|---|---|
| **Investments at fair value** | | |
| Mutual funds | $ 2,598,438 | $ 2,257,864 |
| Common collective trust | 124,505 | 22,417 |
| Total investments at fair value | 2,722,943 | 2,280,281 |
| **Receivables** | | |
| Participant contributions | 5,533 | 16,411 |
| Employer contributions | 1,104 | 3,316 |
| Notes receivable from participants | 150,902 | 132,880 |
| Total receivables | 157,539 | 152,607 |
| **Net assets available for benefits** | **$ 2,880,482** | **$ 2,432,888** |

The accompanying notes are an integral part of these financial statements.

# SQUARE-H BRANDS, INC. 401(K) PLAN

## STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS

**For the Year Ended December 31, 2016**

| | | |
|---|---|---|
| **Additions to net assets attributed to** | | |
| Income | | |
| Net appreciation in fair value of investments | $ | 113,096 |
| Interest and dividends | | 79,757 |
| Total income | | 192,853 |
| Contributions | | |
| Participant | | 321,396 |
| Employer | | 64,333 |
| Total contributions | | 385,729 |
| Total additions | | 578,582 |
| **Deductions from net assets attributed to** | | |
| Benefits paid to participants | | 109,240 |
| Administrative expenses | | 21,748 |
| Total deductions | | 130,988 |
| **Net increase** | | 447,594 |
| **Net assets available for benefits, beginning of year** | | 2,432,888 |
| **Net assets available for benefits, end of year** | **$** | **2,880,482** |

The accompanying notes are an integral part of these financial statements.

## NOTE 1 – DESCRIPTION OF THE PLAN

The following description of Square-H Brands, Inc. 401(k) Plan (the "Plan") is provided for general information only. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General
The Plan was adopted in April 1997 as a voluntary employee contribution plan for the benefit of employees of Square-H Brands, Inc. (the "Sponsor").

The Plan is a defined contribution plan established by the Sponsor under the provision of Section 401(k) of the Internal Revenue Code (IRC). The Plan is administered by management of the Sponsor and is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). Fidelity Management Trust Company, trustee, is responsible for the custody and management of the Plan's assets.

Administration
The Plan is administered by a Plan Committee. At the direction of the Plan Committee, the trustee has the responsibility to invest, hold, and distribute all monies, securities, and assets held by the trustee for the benefit of the participants and their beneficiaries. The trustee provides a monthly statement to each participant. The statement shows the contributions and earnings offset by fees credited to each individual account. A participant can request a statement at any time by calling a toll-free number.

Eligibility
The Plan covers substantially all salaried and other non-bargaining employees of the Sponsor over the age of twenty-one (21). Employees who complete three (3) months of service are eligible to join the Plan. Enrollment can occur on the first day of the next calendar month after meeting the service requirement.

Investment Elections
The investments of the Plan are self-directed by the participants into various investment options offered by the Plan. Investment elections may be changed online or through telephone access at any time.

Participant Contributions
Employees may contribute, on a pretax basis, up to a maximum of 90% of pretax annual compensation, not to exceed elective dollar limits imposed by the Internal Revenue Service (IRS), as defined in the Plan. Participants who have attained age fifty (50) before the end of the Plan year are eligible to make catch-up contributions. Contributions can be stopped as of any payroll period. Contributions can be resumed on the next entry period, and the contribution percentages can also be changed. Rollover contributions representing qualified Plan distributions and individual retirement accounts are permitted.

**NOTE 1 – DESCRIPTION OF THE PLAN (Continued)**

Employer Contributions
From 2014 through June 30, 2015, the Sponsor matched 50% of each participant's deferral contribution of the first 3% of the active participant's eligible compensation. Starting July 1, 2015, the Sponsor matched 25% of each participant's deferral contribution of the first 6% of the active participant's eligible contribution. All employer contributions are invested in the same manner that the participant directs his or her participant withheld amounts.

Participant Accounts
Individual accounts are maintained for each of the Plan's participants to reflect the participants' contributions, rollovers from qualified plans of the participants' previous employers, rollovers from individual retirement accounts, allocation of the Sponsor's contributions, and allocations of the Plan's earnings and administrative expenses. Each participant's account is credited with the participant's contribution and the Sponsor's matching contribution. Allocations of earnings and expenses are based on participant earnings or account balances, as defined.

Notes from Participants
Participants may borrow from their account a minimum of $1,000 up to a maximum of the lesser of 50% of their account balance, or $50,000 reduced by the highest outstanding loan balance in the prior twelve-month period. The loans are collateralized by the balance in the participant's account and bear interest at the federal prime rate in effect on the date the loan is made, plus 1%. Current loan interest rates range from 4.25% to 4.50%. Loan terms are specified for each loan. Loans must be repaid within a five-year period, unless the loan is used to purchase a principal residence. A participant can only have two outstanding loans at any time.

Vesting
Employer contributions vest 100% upon entering the Plan.

Forfeitures
At December 31, 2016 and 2015, forfeited accounts totaled $1,000 and $650, respectively. These accounts will be used to first pay administrative expenses, and any remaining amounts will be used to reduce future Employer contributions as directed by the Sponsor. During the year ended December 31, 2016, no funds were used to reduce Plan administrative fees, expenses, or Employer contributions.

Benefit Payments
Upon normal retirement, retirement due to permanent disability, death, termination, or hardship, the participant or the participants' beneficiaries are eligible to receive their vested interest in funds either in the form of payments beginning at age 70 ½ or in a lump-sum payment.

## NOTE 1 – DESCRIPTION OF THE PLAN (Continued)

Subsequent Events

The Plan Administrator has evaluated all activity through September 20, 2017 (the date the financial statements were issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared on the accrual method of accounting and include only the assets, liabilities, and changes in net assets of the Plan in conformity with accounting principles generally accepted in the United States of America.

Contributions by the participants are recognized in the period the participants' wages are earned. Withdrawals from the Plan for participant distributions are recognized when the amounts are paid to the participant, except for cases where refunds are due to the participants in order for the Plan to conform to IRC provisions. In addition, investment income is recorded when received by the trustee. Plan expenses are recorded when incurred.

Use of Estimates

The preparation of the Plan's financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein and, when applicable, disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for a discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Certain management fees and operating expenses charged to the Plan for investments in mutual funds are deducted from income earned on a daily basis and are not separately reflected. Consequently, management fees and operating expenses are reflected as a reduction of investment return for such investments.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Notes from Participants

Notes from participants are measured at their unpaid principal balance plus any accrued unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the Plan document.

Payment of Benefits

Benefits are recorded when paid. As of December 31, 2016, there were no benefits payable to participants who elected to withdraw from the Plan.

Administrative Expenses

Most administrative expenses for maintaining the Plan are paid by the Sponsor. Loan application fees are charged to the individual participant's account. For the year ended December 31, 2016, administrative expenses paid by the Plan's participants totaled $21,748.

Recently Adopted Accounting Pronouncements

In May 2015, Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2015-07, *Fair Value Measurement (Topic 850): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)* (ASU 2015-07), which removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient. ASU 2015-07 also limits certain disclosures to investments for which the entity has elected to measure the fair value using the practical expedient. The amendments in ASU 2015-07 are effective for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. This ASU will be effective for the Company for fiscal years beginning after December 15, 2016. Early adoption is permitted, and the amendments in ASU 2015-07 should be applied retrospectively to all periods presented. Management elected to adopt this guidance for the Plan's year ended December 31, 2016. The adoption of these rules did have a material effect on the disclosures in the Plan's financial statements. Prior-year information has been adjusted to conform to the adoption of this guidance.

In June 2015, the FASB issued ASU No. 2015-10, *Technical Corrections and Improvements* (ASU 2015-10). The amendments in this update cover a wide range of topics in the Accounting Standards Codification, including plan accounting. These amendments include technical corrections and improvements to the Accounting Standards. The amendments in ASU 2015-10 will generally be effective for fiscal periods beginning after December 15, 2015. Management adopted this guidance for the Plan's year ended December 31, 2016. The adoption of the amendments did not have a material impact on the Plan.

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements

In February 2017, the FASB issued ASU No. 2017-06, *Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965) Employee Benefit Plan Master Trust Reporting*. This update improves the usefulness of the information reported to users of employee benefit plan financial statements and provides clarity to preparers and auditors. The update primarily relates to the reporting by an employee benefit plan for its interest in a master trust. The amendment of this update clarifies presentation requirements for a plan's interest in a master trust and requires more detailed disclosures of a plan's interest in a master trust. The amendments also eliminate a redundancy relating to 401(h) account disclosures. The amendments of this update are effective for fiscal years beginning after December 15, 2018. Early adoption is permitted. Management does not believe the adoption of this guidance will have a material effect on the Plan's financial statements.

## NOTE 3 – INFORMATION CERTIFIED BY THE PLAN'S TRUSTEE

The Plan's management has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Fidelity Management Trust Company, the trustee of the Plan, has certified the completeness and accuracy of all investments reflected on the accompanying statements of net assets available for benefits as of December 31, 2016 and 2015, and the supplemental Schedule H, line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2016; the related investment activity reflected in the statement of changes in net assets available for benefits for the year ended December 31, 2016.

## NOTE 4 – FAIR VALUE MEASUREMENTS

FASB Accounting Standards Codification No. 820, *Fair Value Measurements* (ASC 820), previously known as SFAS 157, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted, quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy under ASC 820 are described below:

**NOTE 4 – FAIR VALUE MEASUREMENTS (Continued)**

Level 1 – Inputs to the valuation methodology are unadjusted, quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in inactive markets
- Inputs other than quoted prices that are observable for the asset or liability
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value:

*Mutual funds:* Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transfer at that price. The mutual funds held by the Plan are deemed to be actively traded.

*Common collective trust:* Valued at the net asset value (NAV) of the underlying assets of the funds. The common collective trust invests in high-quality guaranteed investment contracts (GICs) and similar contracts issued by insurance companies, banks, and other financial institutions.

**NOTE 4 – FAIR VALUE MEASUREMENTS (Continued)**

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2016 and 2015:

| | Assets at Fair Value as of December 31, 2016 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Mutual funds | 2,598,438 | - | - | 2,598,438 |
| Investments measured at net asset value (a) | - | - | - | 124,505 |
| **Total** | **$ 2,598,438** | **$ -** | **$ -** | **$ 2,722,943** |

| | Assets at Fair Value as of December 31, 2015 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Mutual funds | 2,257,864 | - | - | 2,257,864 |
| Investments measured at net asset value (a) | - | - | - | 22,417 |
| **Total** | **$ 2,257,864** | **$ -** | **$ -** | **$ 2,280,281** |

(a) In accordance with Subtopic 820-10, certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statement of net assets available for benefits.

## NOTE 5 – RELATED-PARTY AND PARTY-IN-INTEREST TRANSACTIONS

Certain Plan investments are managed by Fidelity Investments, a related party to Fidelity Management Trust Company. Fidelity Management Trust Company is the trustee as defined by the Plan, and therefore, these transactions qualify as party-in-interest transactions permitted by the United States Department of Labor's Rules and Regulations. Fees paid by the Plan to Fidelity Investments amounted to $15,623 for the year ended December 31, 2016. Notes from participants and the related interest income of $6,411 are also considered related-party transactions.

## NOTE 6 – RISKS AND UNCERTAINTIES

The Plan invests in various securities. Investment securities, in general, are normally exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term, and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

## NOTE 7 – FEDERAL INCOME TAX STATUS

Effective March 1, 2009, the Plan adopted a volume submitter form of a prototype plan sponsored by Transamerica Life Insurance Company. The prototype volume submitter plan has received an opinion letter from the Internal Revenue Service as to the prototype plan's qualified status. The prototype plan opinion letter has been relied upon by the Plan. Although the Plan has been amended since receiving the determination letter, the Plan Administrator and the trustee believe that the Plan is designed, and is currently being operated in, compliance with the applicable requirements of the IRC. Therefore, no provision for income tax has been included in the Plan's financial statements.

GAAP requires Plan management to evaluate tax positions taken by the Plan and recognizes a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the applicable authorities. Plan management has analyzed the tax positions taken by the Plan and has concluded that as of December 31, 2016, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability, asset, or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

## NOTE 8 – PLAN TERMINATION

Although it has not expressed such intent, the Sponsor, by action of its Board of Directors, reserves the right, at any time, to amend or terminate the Plan. Upon termination of the Plan, further contributions to the Plan shall cease, and net assets available for benefits would be distributed to the participants based on each participant's interest in the Plan.

## NOTE 9 – PROHIBITED TRANSACTIONS

During 2014, the Sponsor inadvertently failed to make three deposits totaling approximately $9,680 of participant deferrals and $4,304 of loan repayments within the required time frame as stated by the United States Department of Labor (DOL). The DOL considers late deposits to be prohibited transactions. The Sponsor has elected to enter the Department of Labor's Voluntary Fiduciary Correction Program and has paid the lost earnings on the late deferrals. On August 23, 2016, the lost earnings and excise tax payments were made from the Sponsor's assets and not from assets of the Plan.

## NOTE 10 – RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2016, and December 31, 2015, to Form 5500:

| | 2016 | 2015 |
|---|---|---|
| Net assets available for benefits per the financial statements | $ 2,880,482 | $ 2,432,888 |
| Less: Contributions receivable | (6,637) | (19,727) |
| **Net assets available for benefits per the Form 5500** | **$ 2,873,845** | **$ 2,413,161** |

The following is a reconciliation of the affected components of the changes in net assets available for benefits per the financial statements at December 31, 2016, to the Form 5500:

| | |
|---|---|
| Total contributions per the financial statements | $ 385,729 |
| Adjustment for current-year contribution receivable | (6,637) |
| Adjustment for prior-year contribution receivable | 19,727 |
| **Total contributions per Form 5500** | **$ 398,819** |

# SUPPLEMENTAL INFORMATION

# SQUARE-H BRANDS, INC. 401(K) PLAN

## SCHEDULE H, LINE 4I – SCHEDULE OF ASSETS (HELD AT END OF YEAR)

## December 31, 2016

Plan Sponsor EIN: 95-4539403
Plan Number: 001

| (a) | (b) Identity of Issuer, Borrower, Lessor, or Similar Party | (c) Description of Investment including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value | (d) Current Value |
|---|---|---|---|
| | **Mutual Funds** | | |
| | Vanguard Funds | Vanguard Target Retirement 2015 Ret Opt | $ 573,066 |
| | Vanguard Funds | Vanguard Target Retirement 2030 Ret Opt | 562,560 |
| | Vanguard Funds | Vanguard Target Retirement 2025 Ret Opt | 313,449 |
| * | Fidelity Investments | Fid 500 Index PR | 307,715 |
| | Vanguard Funds | Vanguard Target Retirement 2020 Ret Opt | 253,209 |
| | Vanguard Funds | Vanguard Target Retirement 2035 Ret Opt | 188,130 |
| | Vanguard Funds | Vanguard Target Retirement 2040 Ret Opt | 75,779 |
| | Vanguard Funds | Vanguard Target Retirement 2045 Ret Opt | 66,820 |
| | Vanguard Funds | Vanguard Target Retirement 2055 Ret Opt | 65,570 |
| | Vanguard Funds | Vanguard Target Retirement 2010 Ret Opt | 61,254 |
| | Doubleline Funds | Double Ine Tot Ret I | 28,541 |
| | Vanguard Funds | Vanguard Target Retirement 2050 Ret Opt | 14,943 |
| | Vanguard Funds | Vanguard Trget Retirement Income Ret Opt | 13,708 |
| | JP Morgan | JP Morgan Midcap Growth R6 | 11,958 |
| * | Fidelity Investments | Fidelity Blue Chip Gr | 9,764 |
| | Oakmark Funds | Oakmark International | 9,493 |
| | Principal Funds | Pif Real Estate Sec IS | 8,768 |
| | Vanguard Funds | Vanguard Target Retirement 2060 Ret Opt | 5,982 |
| | Dodge & Cox Funds | Dodge & Cox Stock | 5,161 |
| | Vanguard Funds | Vanguard Midcap Index Adm | 5,116 |
| | Dodge & Cox Funds | Dodge & Cox Balanced | 4,824 |
| | Franklin Templeton Investments | Franklin Small Cap Growth R6 | 4,584 |
| | Vanguard Funds | Vanguard Small-Cap Index Ret Opt | 4,483 |
| | Harbor | Harbor Midcap Val Inst | 1,086 |
| | Dimensional Fund Advisors | DFA U.S. Targeted Value Port | 800 |
| | Dimensional Fund Advisors | DFA Inf Prt Sec Port | 536 |
| | Lord Abbett | LD Abt SH Drtn Inc i | 347 |
| | Vanguard Funds | Vanguard Total Intl Stock Ad | 320 |
| | Oppenheimer Funds | Oppenheimer Developing Market | 239 |
| | Oppenheimer Funds | Oppenheimer Intl Growth | 233 |
| | Total mutual funds | | 2,598,438 |
| | **Common collective trust** | | |
| | Putnam Investments | Putnam Stable Value | 124,505 |
| | Total investments | | 2,722,943 |
| * | **Notes from participants** | (Interest rates are 4.25–4.50% collateralized by participants' account balances and maturing through July 6, 2021.) | 150,902 |
| | | **Total** | **$ 2,873,845** |

* Denotes Party-in-interest

The accompanying notes are an integral part of these financial statements.

# SQUARE-H BRANDS, INC. 401(K) PLAN

## SCHEDULE H, LINE 4a – SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS

**December 31, 2016**

Plan Sponsor EIN: 95-4539403
Plan Number: 001

| Participant Contributions Transferred Late to Plan | Total that Constitutes Nonexempt Prohibited Transactions | | | |
|---|---|---|---|---|
| Check here if late participant loan repayments are included. ☑ | Contributions Not Corrected | Contributions Corrected Outside VFCP | Contributions Pending Correction in VFCP | Total Fully Corrected Under VFCP and PTE 2002-51 |
| $ 13,984 | $ - | $ - | $ - | $ 13,984 |

# SQUARE-H BRANDS, INC. 401(K) PLAN

**FINANCIAL STATEMENTS**
**AND SUPPLEMENTAL INFORMATION**
**FOR THE YEAR ENDED**
**DECEMBER 31, 2016**

# SQUARE-H BRANDS, INC. 401(K) PLAN

**CONTENTS**

**December 31, 2016**


| | Page |
|---|---|
| **INDEPENDENT AUDITOR'S REPORT** | 1 – 2 |
| **FINANCIAL STATEMENTS** | |
| Statements of Net Assets Available for Plan Benefits | 3 |
| Statement of Changes in Net Assets Available for Plan Benefits | 4 |
| Notes to Financial Statements | 5 – 13 |
| **SUPPLEMENTAL INFORMATION** | |
| Schedule H, Line 4i – Schedule of Assets (Held at End of Year) | 14 |
| Schedule H, Line 4a – Schedule of Delinquent Participant Contributions | 15 |

SingerLewak
Accountants & Consultants

# INDEPENDENT AUDITOR'S REPORT

To the Plan Administrator
Square-H Brands, Inc. 401(k) Plan
Los Angeles, California

## Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Square-H Brands, Inc. 401(k) Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2016 and 2015, the related statement of changes in net assets available for benefits for the year ended December 31, 2016, and the related notes to the financial statements.

## Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient, appropriate audit evidence to provide a basis for an audit opinion.

## Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified or provided by Fidelity Management Trust Company, the trustee of the Plan, except for comparing this information with the related information included in the financial statements. We have been informed by the Plan Administrator that the trustee holds the Plan's assets and executes transactions. The Plan Administrator has obtained certifications from the trustee as of December 31, 2016 and 2015, and for the year ended December 31, 2016, that the information provided to the Plan Administrator by the trustee is complete and accurate.

## Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

**Other Matter**

The supplemental Schedule H, Line 4i – Schedule of Assets (Held at End of Year) and Schedule H, Line 4a – Schedule of Delinquent Participant Contributions as of December 31, 2016, are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purposes of additional analysis and are not a required part of the financial statements. These supplemental schedules are the responsibility of the Plan's management. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedules.

**Report on Form and Content in Compliance with DOL Rules and Regulations**

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified or provided by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Singer Lewak LLP

September 20, 2017

# SQUARE-H BRANDS, INC. 401(K) PLAN

## STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS

**December 31,**

**ASSETS**

| | 2016 | 2015 |
|---|---|---|
| **Investments at fair value** | | |
| Mutual funds | $ 2,598,438 | $ 2,257,864 |
| Common collective trust | 124,505 | 22,417 |
| Total investments at fair value | 2,722,943 | 2,280,281 |
| **Receivables** | | |
| Participant contributions | 5,533 | 16,411 |
| Employer contributions | 1,104 | 3,316 |
| Notes receivable from participants | 150,902 | 132,880 |
| Total receivables | 157,539 | 152,607 |
| **Net assets available for benefits** | **$ 2,880,482** | **$ 2,432,888** |

The accompanying notes are an integral part of these financial statements.

# SQUARE-H BRANDS, INC. 401(K) PLAN

## STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS

**For the Year Ended December 31, 2016**

| | | |
|---|---|---|
| **Additions to net assets attributed to** | | |
| Income | | |
| Net appreciation in fair value of investments | $ | 113,096 |
| Interest and dividends | | 79,757 |
| Total income | | 192,853 |
| Contributions | | |
| Participant | | 321,396 |
| Employer | | 64,333 |
| Total contributions | | 385,729 |
| Total additions | | 578,582 |
| **Deductions from net assets attributed to** | | |
| Benefits paid to participants | | 109,240 |
| Administrative expenses | | 21,748 |
| Total deductions | | 130,988 |
| **Net increase** | | 447,594 |
| **Net assets available for benefits, beginning of year** | | 2,432,888 |
| **Net assets available for benefits, end of year** | **$** | **2,880,482** |

The accompanying notes are an integral part of these financial statements.

## NOTE 1 – DESCRIPTION OF THE PLAN

The following description of Square-H Brands, Inc. 401(k) Plan (the "Plan") is provided for general information only. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General
The Plan was adopted in April 1997 as a voluntary employee contribution plan for the benefit of employees of Square-H Brands, Inc. (the "Sponsor").

The Plan is a defined contribution plan established by the Sponsor under the provision of Section 401(k) of the Internal Revenue Code (IRC). The Plan is administered by management of the Sponsor and is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). Fidelity Management Trust Company, trustee, is responsible for the custody and management of the Plan's assets.

Administration
The Plan is administered by a Plan Committee. At the direction of the Plan Committee, the trustee has the responsibility to invest, hold, and distribute all monies, securities, and assets held by the trustee for the benefit of the participants and their beneficiaries. The trustee provides a monthly statement to each participant. The statement shows the contributions and earnings offset by fees credited to each individual account. A participant can request a statement at any time by calling a toll-free number.

Eligibility
The Plan covers substantially all salaried and other non-bargaining employees of the Sponsor over the age of twenty-one (21). Employees who complete three (3) months of service are eligible to join the Plan. Enrollment can occur on the first day of the next calendar month after meeting the service requirement.

Investment Elections
The investments of the Plan are self-directed by the participants into various investment options offered by the Plan. Investment elections may be changed online or through telephone access at any time.

Participant Contributions
Employees may contribute, on a pretax basis, up to a maximum of 90% of pretax annual compensation, not to exceed elective dollar limits imposed by the Internal Revenue Service (IRS), as defined in the Plan. Participants who have attained age fifty (50) before the end of the Plan year are eligible to make catch-up contributions. Contributions can be stopped as of any payroll period. Contributions can be resumed on the next entry period, and the contribution percentages can also be changed. Rollover contributions representing qualified Plan distributions and individual retirement accounts are permitted.

**NOTE 1 – DESCRIPTION OF THE PLAN (Continued)**

Employer Contributions
From 2014 through June 30, 2015, the Sponsor matched 50% of each participant's deferral contribution of the first 3% of the active participant's eligible compensation. Starting July 1, 2015, the Sponsor matched 25% of each participant's deferral contribution of the first 6% of the active participant's eligible contribution. All employer contributions are invested in the same manner that the participant directs his or her participant withheld amounts.

Participant Accounts
Individual accounts are maintained for each of the Plan's participants to reflect the participants' contributions, rollovers from qualified plans of the participants' previous employers, rollovers from individual retirement accounts, allocation of the Sponsor's contributions, and allocations of the Plan's earnings and administrative expenses. Each participant's account is credited with the participant's contribution and the Sponsor's matching contribution. Allocations of earnings and expenses are based on participant earnings or account balances, as defined.

Notes from Participants
Participants may borrow from their account a minimum of $1,000 up to a maximum of the lesser of 50% of their account balance, or $50,000 reduced by the highest outstanding loan balance in the prior twelve-month period. The loans are collateralized by the balance in the participant's account and bear interest at the federal prime rate in effect on the date the loan is made, plus 1%. Current loan interest rates range from 4.25% to 4.50%. Loan terms are specified for each loan. Loans must be repaid within a five-year period, unless the loan is used to purchase a principal residence. A participant can only have two outstanding loans at any time.

Vesting
Employer contributions vest 100% upon entering the Plan.

Forfeitures
At December 31, 2016 and 2015, forfeited accounts totaled $1,000 and $650, respectively. These accounts will be used to first pay administrative expenses, and any remaining amounts will be used to reduce future Employer contributions as directed by the Sponsor. During the year ended December 31, 2016, no funds were used to reduce Plan administrative fees, expenses, or Employer contributions.

Benefit Payments
Upon normal retirement, retirement due to permanent disability, death, termination, or hardship, the participant or the participants' beneficiaries are eligible to receive their vested interest in funds either in the form of payments beginning at age 70 ½ or in a lump-sum payment.

## NOTE 1 – DESCRIPTION OF THE PLAN (Continued)

Subsequent Events

The Plan Administrator has evaluated all activity through September 20, 2017 (the date the financial statements were issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared on the accrual method of accounting and include only the assets, liabilities, and changes in net assets of the Plan in conformity with accounting principles generally accepted in the United States of America.

Contributions by the participants are recognized in the period the participants' wages are earned. Withdrawals from the Plan for participant distributions are recognized when the amounts are paid to the participant, except for cases where refunds are due to the participants in order for the Plan to conform to IRC provisions. In addition, investment income is recorded when received by the trustee. Plan expenses are recorded when incurred.

Use of Estimates

The preparation of the Plan's financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein and, when applicable, disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for a discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Certain management fees and operating expenses charged to the Plan for investments in mutual funds are deducted from income earned on a daily basis and are not separately reflected. Consequently, management fees and operating expenses are reflected as a reduction of investment return for such investments.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Notes from Participants

Notes from participants are measured at their unpaid principal balance plus any accrued unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the Plan document.

Payment of Benefits

Benefits are recorded when paid. As of December 31, 2016, there were no benefits payable to participants who elected to withdraw from the Plan.

Administrative Expenses

Most administrative expenses for maintaining the Plan are paid by the Sponsor. Loan application fees are charged to the individual participant's account. For the year ended December 31, 2016, administrative expenses paid by the Plan's participants totaled $21,748.

Recently Adopted Accounting Pronouncements

In May 2015, Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2015-07, *Fair Value Measurement (Topic 850): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)* (ASU 2015-07), which removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient. ASU 2015-07 also limits certain disclosures to investments for which the entity has elected to measure the fair value using the practical expedient. The amendments in ASU 2015-07 are effective for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. This ASU will be effective for the Company for fiscal years beginning after December 15, 2016. Early adoption is permitted, and the amendments in ASU 2015-07 should be applied retrospectively to all periods presented. Management elected to adopt this guidance for the Plan's year ended December 31, 2016. The adoption of these rules did have a material effect on the disclosures in the Plan's financial statements. Prior-year information has been adjusted to conform to the adoption of this guidance.

In June 2015, the FASB issued ASU No. 2015-10, *Technical Corrections and Improvements* (ASU 2015-10). The amendments in this update cover a wide range of topics in the Accounting Standards Codification, including plan accounting. These amendments include technical corrections and improvements to the Accounting Standards. The amendments in ASU 2015-10 will generally be effective for fiscal periods beginning after December 15, 2015. Management adopted this guidance for the Plan's year ended December 31, 2016. The adoption of the amendments did not have a material impact on the Plan.

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements

In February 2017, the FASB issued ASU No. 2017-06, *Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965) Employee Benefit Plan Master Trust Reporting*. This update improves the usefulness of the information reported to users of employee benefit plan financial statements and provides clarity to preparers and auditors. The update primarily relates to the reporting by an employee benefit plan for its interest in a master trust. The amendment of this update clarifies presentation requirements for a plan's interest in a master trust and requires more detailed disclosures of a plan's interest in a master trust. The amendments also eliminate a redundancy relating to 401(h) account disclosures. The amendments of this update are effective for fiscal years beginning after December 15, 2018. Early adoption is permitted. Management does not believe the adoption of this guidance will have a material effect on the Plan's financial statements.

## NOTE 3 – INFORMATION CERTIFIED BY THE PLAN'S TRUSTEE

The Plan's management has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Fidelity Management Trust Company, the trustee of the Plan, has certified the completeness and accuracy of all investments reflected on the accompanying statements of net assets available for benefits as of December 31, 2016 and 2015, and the supplemental Schedule H, line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2016; the related investment activity reflected in the statement of changes in net assets available for benefits for the year ended December 31, 2016.

## NOTE 4 – FAIR VALUE MEASUREMENTS

FASB Accounting Standards Codification No. 820, *Fair Value Measurements* (ASC 820), previously known as SFAS 157, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted, quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy under ASC 820 are described below:

**NOTE 4 – FAIR VALUE MEASUREMENTS (Continued)**

Level 1 – Inputs to the valuation methodology are unadjusted, quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in inactive markets
- Inputs other than quoted prices that are observable for the asset or liability
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value:

*Mutual funds:* Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transfer at that price. The mutual funds held by the Plan are deemed to be actively traded.

*Common collective trust:* Valued at the net asset value (NAV) of the underlying assets of the funds. The common collective trust invests in high-quality guaranteed investment contracts (GICs) and similar contracts issued by insurance companies, banks, and other financial institutions.

**NOTE 4 – FAIR VALUE MEASUREMENTS (Continued)**

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2016 and 2015:

| | Assets at Fair Value as of December 31, 2016 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Mutual funds | 2,598,438 | - | - | 2,598,438 |
| Investments measured at net asset value (a) | - | - | - | 124,505 |
| **Total** | **$ 2,598,438** | **$ -** | **$ -** | **$ 2,722,943** |

| | Assets at Fair Value as of December 31, 2015 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Mutual funds | 2,257,864 | - | - | 2,257,864 |
| Investments measured at net asset value (a) | - | - | - | 22,417 |
| **Total** | **$ 2,257,864** | **$ -** | **$ -** | **$ 2,280,281** |

(a) In accordance with Subtopic 820-10, certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statement of net assets available for benefits.

## NOTE 5 – RELATED-PARTY AND PARTY-IN-INTEREST TRANSACTIONS

Certain Plan investments are managed by Fidelity Investments, a related party to Fidelity Management Trust Company. Fidelity Management Trust Company is the trustee as defined by the Plan, and therefore, these transactions qualify as party-in-interest transactions permitted by the United States Department of Labor's Rules and Regulations. Fees paid by the Plan to Fidelity Investments amounted to $15,623 for the year ended December 31, 2016. Notes from participants and the related interest income of $6,411 are also considered related-party transactions.

## NOTE 6 – RISKS AND UNCERTAINTIES

The Plan invests in various securities. Investment securities, in general, are normally exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term, and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

## NOTE 7 – FEDERAL INCOME TAX STATUS

Effective March 1, 2009, the Plan adopted a volume submitter form of a prototype plan sponsored by Transamerica Life Insurance Company. The prototype volume submitter plan has received an opinion letter from the Internal Revenue Service as to the prototype plan's qualified status. The prototype plan opinion letter has been relied upon by the Plan. Although the Plan has been amended since receiving the determination letter, the Plan Administrator and the trustee believe that the Plan is designed, and is currently being operated in, compliance with the applicable requirements of the IRC. Therefore, no provision for income tax has been included in the Plan's financial statements.

GAAP requires Plan management to evaluate tax positions taken by the Plan and recognizes a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the applicable authorities. Plan management has analyzed the tax positions taken by the Plan and has concluded that as of December 31, 2016, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability, asset, or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

## NOTE 8 – PLAN TERMINATION

Although it has not expressed such intent, the Sponsor, by action of its Board of Directors, reserves the right, at any time, to amend or terminate the Plan. Upon termination of the Plan, further contributions to the Plan shall cease, and net assets available for benefits would be distributed to the participants based on each participant's interest in the Plan.

## NOTE 9 – PROHIBITED TRANSACTIONS

During 2014, the Sponsor inadvertently failed to make three deposits totaling approximately $9,680 of participant deferrals and $4,304 of loan repayments within the required time frame as stated by the United States Department of Labor (DOL). The DOL considers late deposits to be prohibited transactions. The Sponsor has elected to enter the Department of Labor's Voluntary Fiduciary Correction Program and has paid the lost earnings on the late deferrals. On August 23, 2016, the lost earnings and excise tax payments were made from the Sponsor's assets and not from assets of the Plan.

## NOTE 10 – RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2016, and December 31, 2015, to Form 5500:

| | 2016 | 2015 |
|---|---|---|
| Net assets available for benefits per the financial statements | $ 2,880,482 | $ 2,432,888 |
| Less: Contributions receivable | (6,637) | (19,727) |
| **Net assets available for benefits per the Form 5500** | **$ 2,873,845** | **$ 2,413,161** |

The following is a reconciliation of the affected components of the changes in net assets available for benefits per the financial statements at December 31, 2016, to the Form 5500:

| | |
|---|---|
| Total contributions per the financial statements | $ 385,729 |
| Adjustment for current-year contribution receivable | (6,637) |
| Adjustment for prior-year contribution receivable | 19,727 |
| **Total contributions per Form 5500** | **$ 398,819** |

# SUPPLEMENTAL INFORMATION

# SQUARE-H BRANDS, INC. 401(K) PLAN

## SCHEDULE H, LINE 4I – SCHEDULE OF ASSETS (HELD AT END OF YEAR)

## December 31, 2016

Plan Sponsor EIN: 95-4539403
Plan Number: 001

| (a) | (b) Identity of Issuer, Borrower, Lessor, or Similar Party | (c) Description of Investment including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value | (d) Current Value |
|---|---|---|---|
| | **Mutual Funds** | | |
| | Vanguard Funds | Vanguard Target Retirement 2015 Ret Opt | $ 573,066 |
| | Vanguard Funds | Vanguard Target Retirement 2030 Ret Opt | 562,560 |
| | Vanguard Funds | Vanguard Target Retirement 2025 Ret Opt | 313,449 |
| * | Fidelity Investments | Fid 500 Index PR | 307,715 |
| | Vanguard Funds | Vanguard Target Retirement 2020 Ret Opt | 253,209 |
| | Vanguard Funds | Vanguard Target Retirement 2035 Ret Opt | 188,130 |
| | Vanguard Funds | Vanguard Target Retirement 2040 Ret Opt | 75,779 |
| | Vanguard Funds | Vanguard Target Retirement 2045 Ret Opt | 66,820 |
| | Vanguard Funds | Vanguard Target Retirement 2055 Ret Opt | 65,570 |
| | Vanguard Funds | Vanguard Target Retirement 2010 Ret Opt | 61,254 |
| | Doubleline Funds | Double Ine Tot Ret I | 28,541 |
| | Vanguard Funds | Vanguard Target Retirement 2050 Ret Opt | 14,943 |
| | Vanguard Funds | Vanguard Trget Retirement Income Ret Opt | 13,708 |
| | JP Morgan | JP Morgan Midcap Growth R6 | 11,958 |
| * | Fidelity Investments | Fidelity Blue Chip Gr | 9,764 |
| | Oakmark Funds | Oakmark International | 9,493 |
| | Principal Funds | Pif Real Estate Sec IS | 8,768 |
| | Vanguard Funds | Vanguard Target Retirement 2060 Ret Opt | 5,982 |
| | Dodge & Cox Funds | Dodge & Cox Stock | 5,161 |
| | Vanguard Funds | Vanguard Midcap Index Adm | 5,116 |
| | Dodge & Cox Funds | Dodge & Cox Balanced | 4,824 |
| | Franklin Templeton Investments | Franklin Small Cap Growth R6 | 4,584 |
| | Vanguard Funds | Vanguard Small-Cap Index Ret Opt | 4,483 |
| | Harbor | Harbor Midcap Val Inst | 1,086 |
| | Dimensional Fund Advisors | DFA U.S. Targeted Value Port | 800 |
| | Dimensional Fund Advisors | DFA Inf Prt Sec Port | 536 |
| | Lord Abbett | LD Abt SH Drtn Inc i | 347 |
| | Vanguard Funds | Vanguard Total Intl Stock Ad | 320 |
| | Oppenheimer Funds | Oppenheimer Developing Market | 239 |
| | Oppenheimer Funds | Oppenheimer Intl Growth | 233 |
| | Total mutual funds | | 2,598,438 |
| | **Common collective trust** | | |
| | Putnam Investments | Putnam Stable Value | 124,505 |
| | Total investments | | 2,722,943 |
| * | **Notes from participants** | (Interest rates are 4.25–4.50% collateralized by participants' account balances and maturing through July 6, 2021.) | 150,902 |
| | | **Total** | **$ 2,873,845** |

* Denotes Party-in-interest

The accompanying notes are an integral part of these financial statements.

# SQUARE-H BRANDS, INC. 401(K) PLAN

## SCHEDULE H, LINE 4a – SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS

**December 31, 2016**

Plan Sponsor EIN: 95-4539403
Plan Number: 001

| Participant Contributions Transferred Late to Plan | Total that Constitutes Nonexempt Prohibited Transactions | | | |
|---|---|---|---|---|
| Check here if late participant loan repayments are included. ☑ | Contributions Not Corrected | Contributions Corrected Outside VFCP | Contributions Pending Correction in VFCP | Total Fully Corrected Under VFCP and PTE 2002-51 |
| $ 13,984 | $ - | $ - | $ - | $ 13,984 |

# SQUARE-H BRANDS, INC. 401(K) PLAN

**FINANCIAL STATEMENTS**
**AND SUPPLEMENTAL INFORMATION**
**FOR THE YEAR ENDED**
**DECEMBER 31, 2016**

# SQUARE-H BRANDS, INC. 401(K) PLAN

**CONTENTS**

**December 31, 2016**


| | Page |
|---|---|
| **INDEPENDENT AUDITOR'S REPORT** | 1 – 2 |
| **FINANCIAL STATEMENTS** | |
| Statements of Net Assets Available for Plan Benefits | 3 |
| Statement of Changes in Net Assets Available for Plan Benefits | 4 |
| Notes to Financial Statements | 5 – 13 |
| **SUPPLEMENTAL INFORMATION** | |
| Schedule H, Line 4i – Schedule of Assets (Held at End of Year) | 14 |
| Schedule H, Line 4a – Schedule of Delinquent Participant Contributions | 15 |

SingerLewak
Accountants & Consultants

# INDEPENDENT AUDITOR'S REPORT

To the Plan Administrator
Square-H Brands, Inc. 401(k) Plan
Los Angeles, California

## Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Square-H Brands, Inc. 401(k) Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2016 and 2015, the related statement of changes in net assets available for benefits for the year ended December 31, 2016, and the related notes to the financial statements.

## Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient, appropriate audit evidence to provide a basis for an audit opinion.

## Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified or provided by Fidelity Management Trust Company, the trustee of the Plan, except for comparing this information with the related information included in the financial statements. We have been informed by the Plan Administrator that the trustee holds the Plan's assets and executes transactions. The Plan Administrator has obtained certifications from the trustee as of December 31, 2016 and 2015, and for the year ended December 31, 2016, that the information provided to the Plan Administrator by the trustee is complete and accurate.

## Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

**Other Matter**

The supplemental Schedule H, Line 4i – Schedule of Assets (Held at End of Year) and Schedule H, Line 4a – Schedule of Delinquent Participant Contributions as of December 31, 2016, are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purposes of additional analysis and are not a required part of the financial statements. These supplemental schedules are the responsibility of the Plan's management. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedules.

**Report on Form and Content in Compliance with DOL Rules and Regulations**

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified or provided by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Singer Lewak LLP

September 20, 2017

# SQUARE-H BRANDS, INC. 401(K) PLAN

## STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS

**December 31,**

**ASSETS**

| | 2016 | 2015 |
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| **Investments at fair value** | | |
| Mutual funds | $ 2,598,438 | $ 2,257,864 |
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| Total investments at fair value | 2,722,943 | 2,280,281 |
| **Receivables** | | |
| Participant contributions | 5,533 | 16,411 |
| Employer contributions | 1,104 | 3,316 |
| Notes receivable from participants | 150,902 | 132,880 |
| Total receivables | 157,539 | 152,607 |
| **Net assets available for benefits** | **$ 2,880,482** | **$ 2,432,888** |

The accompanying notes are an integral part of these financial statements.

# SQUARE-H BRANDS, INC. 401(K) PLAN

## STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS

**For the Year Ended December 31, 2016**

| | | |
|---|---|---|
| **Additions to net assets attributed to** | | |
| Income | | |
| Net appreciation in fair value of investments | $ | 113,096 |
| Interest and dividends | | 79,757 |
| Total income | | 192,853 |
| Contributions | | |
| Participant | | 321,396 |
| Employer | | 64,333 |
| Total contributions | | 385,729 |
| Total additions | | 578,582 |
| **Deductions from net assets attributed to** | | |
| Benefits paid to participants | | 109,240 |
| Administrative expenses | | 21,748 |
| Total deductions | | 130,988 |
| **Net increase** | | 447,594 |
| **Net assets available for benefits, beginning of year** | | 2,432,888 |
| **Net assets available for benefits, end of year** | **$** | **2,880,482** |

The accompanying notes are an integral part of these financial statements.

## NOTE 1 – DESCRIPTION OF THE PLAN

The following description of Square-H Brands, Inc. 401(k) Plan (the "Plan") is provided for general information only. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General
The Plan was adopted in April 1997 as a voluntary employee contribution plan for the benefit of employees of Square-H Brands, Inc. (the "Sponsor").

The Plan is a defined contribution plan established by the Sponsor under the provision of Section 401(k) of the Internal Revenue Code (IRC). The Plan is administered by management of the Sponsor and is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). Fidelity Management Trust Company, trustee, is responsible for the custody and management of the Plan's assets.

Administration
The Plan is administered by a Plan Committee. At the direction of the Plan Committee, the trustee has the responsibility to invest, hold, and distribute all monies, securities, and assets held by the trustee for the benefit of the participants and their beneficiaries. The trustee provides a monthly statement to each participant. The statement shows the contributions and earnings offset by fees credited to each individual account. A participant can request a statement at any time by calling a toll-free number.

Eligibility
The Plan covers substantially all salaried and other non-bargaining employees of the Sponsor over the age of twenty-one (21). Employees who complete three (3) months of service are eligible to join the Plan. Enrollment can occur on the first day of the next calendar month after meeting the service requirement.

Investment Elections
The investments of the Plan are self-directed by the participants into various investment options offered by the Plan. Investment elections may be changed online or through telephone access at any time.

Participant Contributions
Employees may contribute, on a pretax basis, up to a maximum of 90% of pretax annual compensation, not to exceed elective dollar limits imposed by the Internal Revenue Service (IRS), as defined in the Plan. Participants who have attained age fifty (50) before the end of the Plan year are eligible to make catch-up contributions. Contributions can be stopped as of any payroll period. Contributions can be resumed on the next entry period, and the contribution percentages can also be changed. Rollover contributions representing qualified Plan distributions and individual retirement accounts are permitted.

**NOTE 1 – DESCRIPTION OF THE PLAN (Continued)**

Employer Contributions
From 2014 through June 30, 2015, the Sponsor matched 50% of each participant's deferral contribution of the first 3% of the active participant's eligible compensation. Starting July 1, 2015, the Sponsor matched 25% of each participant's deferral contribution of the first 6% of the active participant's eligible contribution. All employer contributions are invested in the same manner that the participant directs his or her participant withheld amounts.

Participant Accounts
Individual accounts are maintained for each of the Plan's participants to reflect the participants' contributions, rollovers from qualified plans of the participants' previous employers, rollovers from individual retirement accounts, allocation of the Sponsor's contributions, and allocations of the Plan's earnings and administrative expenses. Each participant's account is credited with the participant's contribution and the Sponsor's matching contribution. Allocations of earnings and expenses are based on participant earnings or account balances, as defined.

Notes from Participants
Participants may borrow from their account a minimum of $1,000 up to a maximum of the lesser of 50% of their account balance, or $50,000 reduced by the highest outstanding loan balance in the prior twelve-month period. The loans are collateralized by the balance in the participant's account and bear interest at the federal prime rate in effect on the date the loan is made, plus 1%. Current loan interest rates range from 4.25% to 4.50%. Loan terms are specified for each loan. Loans must be repaid within a five-year period, unless the loan is used to purchase a principal residence. A participant can only have two outstanding loans at any time.

Vesting
Employer contributions vest 100% upon entering the Plan.

Forfeitures
At December 31, 2016 and 2015, forfeited accounts totaled $1,000 and $650, respectively. These accounts will be used to first pay administrative expenses, and any remaining amounts will be used to reduce future Employer contributions as directed by the Sponsor. During the year ended December 31, 2016, no funds were used to reduce Plan administrative fees, expenses, or Employer contributions.

Benefit Payments
Upon normal retirement, retirement due to permanent disability, death, termination, or hardship, the participant or the participants' beneficiaries are eligible to receive their vested interest in funds either in the form of payments beginning at age 70 ½ or in a lump-sum payment.

## NOTE 1 – DESCRIPTION OF THE PLAN (Continued)

Subsequent Events

The Plan Administrator has evaluated all activity through September 20, 2017 (the date the financial statements were issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared on the accrual method of accounting and include only the assets, liabilities, and changes in net assets of the Plan in conformity with accounting principles generally accepted in the United States of America.

Contributions by the participants are recognized in the period the participants' wages are earned. Withdrawals from the Plan for participant distributions are recognized when the amounts are paid to the participant, except for cases where refunds are due to the participants in order for the Plan to conform to IRC provisions. In addition, investment income is recorded when received by the trustee. Plan expenses are recorded when incurred.

Use of Estimates

The preparation of the Plan's financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein and, when applicable, disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for a discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Certain management fees and operating expenses charged to the Plan for investments in mutual funds are deducted from income earned on a daily basis and are not separately reflected. Consequently, management fees and operating expenses are reflected as a reduction of investment return for such investments.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Notes from Participants

Notes from participants are measured at their unpaid principal balance plus any accrued unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the Plan document.

Payment of Benefits

Benefits are recorded when paid. As of December 31, 2016, there were no benefits payable to participants who elected to withdraw from the Plan.

Administrative Expenses

Most administrative expenses for maintaining the Plan are paid by the Sponsor. Loan application fees are charged to the individual participant's account. For the year ended December 31, 2016, administrative expenses paid by the Plan's participants totaled $21,748.

Recently Adopted Accounting Pronouncements

In May 2015, Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2015-07, *Fair Value Measurement (Topic 850): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)* (ASU 2015-07), which removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient. ASU 2015-07 also limits certain disclosures to investments for which the entity has elected to measure the fair value using the practical expedient. The amendments in ASU 2015-07 are effective for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. This ASU will be effective for the Company for fiscal years beginning after December 15, 2016. Early adoption is permitted, and the amendments in ASU 2015-07 should be applied retrospectively to all periods presented. Management elected to adopt this guidance for the Plan's year ended December 31, 2016. The adoption of these rules did have a material effect on the disclosures in the Plan's financial statements. Prior-year information has been adjusted to conform to the adoption of this guidance.

In June 2015, the FASB issued ASU No. 2015-10, *Technical Corrections and Improvements* (ASU 2015-10). The amendments in this update cover a wide range of topics in the Accounting Standards Codification, including plan accounting. These amendments include technical corrections and improvements to the Accounting Standards. The amendments in ASU 2015-10 will generally be effective for fiscal periods beginning after December 15, 2015. Management adopted this guidance for the Plan's year ended December 31, 2016. The adoption of the amendments did not have a material impact on the Plan.

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements

In February 2017, the FASB issued ASU No. 2017-06, *Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965) Employee Benefit Plan Master Trust Reporting*. This update improves the usefulness of the information reported to users of employee benefit plan financial statements and provides clarity to preparers and auditors. The update primarily relates to the reporting by an employee benefit plan for its interest in a master trust. The amendment of this update clarifies presentation requirements for a plan's interest in a master trust and requires more detailed disclosures of a plan's interest in a master trust. The amendments also eliminate a redundancy relating to 401(h) account disclosures. The amendments of this update are effective for fiscal years beginning after December 15, 2018. Early adoption is permitted. Management does not believe the adoption of this guidance will have a material effect on the Plan's financial statements.

## NOTE 3 – INFORMATION CERTIFIED BY THE PLAN'S TRUSTEE

The Plan's management has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Fidelity Management Trust Company, the trustee of the Plan, has certified the completeness and accuracy of all investments reflected on the accompanying statements of net assets available for benefits as of December 31, 2016 and 2015, and the supplemental Schedule H, line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2016; the related investment activity reflected in the statement of changes in net assets available for benefits for the year ended December 31, 2016.

## NOTE 4 – FAIR VALUE MEASUREMENTS

FASB Accounting Standards Codification No. 820, *Fair Value Measurements* (ASC 820), previously known as SFAS 157, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted, quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy under ASC 820 are described below:

**NOTE 4 – FAIR VALUE MEASUREMENTS (Continued)**

Level 1 – Inputs to the valuation methodology are unadjusted, quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in inactive markets
- Inputs other than quoted prices that are observable for the asset or liability
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value:

*Mutual funds:* Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transfer at that price. The mutual funds held by the Plan are deemed to be actively traded.

*Common collective trust:* Valued at the net asset value (NAV) of the underlying assets of the funds. The common collective trust invests in high-quality guaranteed investment contracts (GICs) and similar contracts issued by insurance companies, banks, and other financial institutions.

**NOTE 4 – FAIR VALUE MEASUREMENTS (Continued)**

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2016 and 2015:

| | Assets at Fair Value as of December 31, 2016 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Mutual funds | 2,598,438 | - | - | 2,598,438 |
| Investments measured at net asset value (a) | - | - | - | 124,505 |
| **Total** | **$ 2,598,438** | **$ -** | **$ -** | **$ 2,722,943** |

| | Assets at Fair Value as of December 31, 2015 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Mutual funds | 2,257,864 | - | - | 2,257,864 |
| Investments measured at net asset value (a) | - | - | - | 22,417 |
| **Total** | **$ 2,257,864** | **$ -** | **$ -** | **$ 2,280,281** |

(a) In accordance with Subtopic 820-10, certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statement of net assets available for benefits.

## NOTE 5 – RELATED-PARTY AND PARTY-IN-INTEREST TRANSACTIONS

Certain Plan investments are managed by Fidelity Investments, a related party to Fidelity Management Trust Company. Fidelity Management Trust Company is the trustee as defined by the Plan, and therefore, these transactions qualify as party-in-interest transactions permitted by the United States Department of Labor's Rules and Regulations. Fees paid by the Plan to Fidelity Investments amounted to $15,623 for the year ended December 31, 2016. Notes from participants and the related interest income of $6,411 are also considered related-party transactions.

## NOTE 6 – RISKS AND UNCERTAINTIES

The Plan invests in various securities. Investment securities, in general, are normally exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term, and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

## NOTE 7 – FEDERAL INCOME TAX STATUS

Effective March 1, 2009, the Plan adopted a volume submitter form of a prototype plan sponsored by Transamerica Life Insurance Company. The prototype volume submitter plan has received an opinion letter from the Internal Revenue Service as to the prototype plan's qualified status. The prototype plan opinion letter has been relied upon by the Plan. Although the Plan has been amended since receiving the determination letter, the Plan Administrator and the trustee believe that the Plan is designed, and is currently being operated in, compliance with the applicable requirements of the IRC. Therefore, no provision for income tax has been included in the Plan's financial statements.

GAAP requires Plan management to evaluate tax positions taken by the Plan and recognizes a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the applicable authorities. Plan management has analyzed the tax positions taken by the Plan and has concluded that as of December 31, 2016, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability, asset, or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

## NOTE 8 – PLAN TERMINATION

Although it has not expressed such intent, the Sponsor, by action of its Board of Directors, reserves the right, at any time, to amend or terminate the Plan. Upon termination of the Plan, further contributions to the Plan shall cease, and net assets available for benefits would be distributed to the participants based on each participant's interest in the Plan.

## NOTE 9 – PROHIBITED TRANSACTIONS

During 2014, the Sponsor inadvertently failed to make three deposits totaling approximately $9,680 of participant deferrals and $4,304 of loan repayments within the required time frame as stated by the United States Department of Labor (DOL). The DOL considers late deposits to be prohibited transactions. The Sponsor has elected to enter the Department of Labor's Voluntary Fiduciary Correction Program and has paid the lost earnings on the late deferrals. On August 23, 2016, the lost earnings and excise tax payments were made from the Sponsor's assets and not from assets of the Plan.

## NOTE 10 – RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2016, and December 31, 2015, to Form 5500:

| | 2016 | 2015 |
|---|---|---|
| Net assets available for benefits per the financial statements | $ 2,880,482 | $ 2,432,888 |
| Less: Contributions receivable | (6,637) | (19,727) |
| **Net assets available for benefits per the Form 5500** | **$ 2,873,845** | **$ 2,413,161** |

The following is a reconciliation of the affected components of the changes in net assets available for benefits per the financial statements at December 31, 2016, to the Form 5500:

| | |
|---|---|
| Total contributions per the financial statements | $ 385,729 |
| Adjustment for current-year contribution receivable | (6,637) |
| Adjustment for prior-year contribution receivable | 19,727 |
| **Total contributions per Form 5500** | **$ 398,819** |

# SUPPLEMENTAL INFORMATION

# SQUARE-H BRANDS, INC. 401(K) PLAN

## SCHEDULE H, LINE 4I – SCHEDULE OF ASSETS (HELD AT END OF YEAR)

## December 31, 2016

Plan Sponsor EIN: 95-4539403
Plan Number: 001

| (a) | (b) Identity of Issuer, Borrower, Lessor, or Similar Party | (c) Description of Investment including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value | (d) Current Value |
|---|---|---|---|
| | **Mutual Funds** | | |
| | Vanguard Funds | Vanguard Target Retirement 2015 Ret Opt | $ 573,066 |
| | Vanguard Funds | Vanguard Target Retirement 2030 Ret Opt | 562,560 |
| | Vanguard Funds | Vanguard Target Retirement 2025 Ret Opt | 313,449 |
| * | Fidelity Investments | Fid 500 Index PR | 307,715 |
| | Vanguard Funds | Vanguard Target Retirement 2020 Ret Opt | 253,209 |
| | Vanguard Funds | Vanguard Target Retirement 2035 Ret Opt | 188,130 |
| | Vanguard Funds | Vanguard Target Retirement 2040 Ret Opt | 75,779 |
| | Vanguard Funds | Vanguard Target Retirement 2045 Ret Opt | 66,820 |
| | Vanguard Funds | Vanguard Target Retirement 2055 Ret Opt | 65,570 |
| | Vanguard Funds | Vanguard Target Retirement 2010 Ret Opt | 61,254 |
| | Doubleline Funds | Double Ine Tot Ret I | 28,541 |
| | Vanguard Funds | Vanguard Target Retirement 2050 Ret Opt | 14,943 |
| | Vanguard Funds | Vanguard Trget Retirement Income Ret Opt | 13,708 |
| | JP Morgan | JP Morgan Midcap Growth R6 | 11,958 |
| * | Fidelity Investments | Fidelity Blue Chip Gr | 9,764 |
| | Oakmark Funds | Oakmark International | 9,493 |
| | Principal Funds | Pif Real Estate Sec IS | 8,768 |
| | Vanguard Funds | Vanguard Target Retirement 2060 Ret Opt | 5,982 |
| | Dodge & Cox Funds | Dodge & Cox Stock | 5,161 |
| | Vanguard Funds | Vanguard Midcap Index Adm | 5,116 |
| | Dodge & Cox Funds | Dodge & Cox Balanced | 4,824 |
| | Franklin Templeton Investments | Franklin Small Cap Growth R6 | 4,584 |
| | Vanguard Funds | Vanguard Small-Cap Index Ret Opt | 4,483 |
| | Harbor | Harbor Midcap Val Inst | 1,086 |
| | Dimensional Fund Advisors | DFA U.S. Targeted Value Port | 800 |
| | Dimensional Fund Advisors | DFA Inf Prt Sec Port | 536 |
| | Lord Abbett | LD Abt SH Drtn Inc i | 347 |
| | Vanguard Funds | Vanguard Total Intl Stock Ad | 320 |
| | Oppenheimer Funds | Oppenheimer Developing Market | 239 |
| | Oppenheimer Funds | Oppenheimer Intl Growth | 233 |
| | Total mutual funds | | 2,598,438 |
| | **Common collective trust** | | |
| | Putnam Investments | Putnam Stable Value | 124,505 |
| | Total investments | | 2,722,943 |
| * | **Notes from participants** | (Interest rates are 4.25–4.50% collateralized by participants' account balances and maturing through July 6, 2021.) | 150,902 |
| | | **Total** | **$ 2,873,845** |

* Denotes Party-in-interest

The accompanying notes are an integral part of these financial statements.

# SQUARE-H BRANDS, INC. 401(K) PLAN

## SCHEDULE H, LINE 4a – SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS

**December 31, 2016**

Plan Sponsor EIN: 95-4539403
Plan Number: 001

| Participant Contributions Transferred Late to Plan | Total that Constitutes Nonexempt Prohibited Transactions | | | |
|---|---|---|---|---|
| Check here if late participant loan repayments are included. ☑ | Contributions Not Corrected | Contributions Corrected Outside VFCP | Contributions Pending Correction in VFCP | Total Fully Corrected Under VFCP and PTE 2002-51 |
| $ 13,984 | $ - | $ - | $ - | $ 13,984 |